

AN ORDINANCE 100704

APPROVING THE TERMS AND AUTHORIZING EXECUTION OF A TAX PHASE-IN AGREEMENT WITH LESSEE KARTA TECHNOLOGIES, INC. ("KARTA"), AND ITS LESSOR, GUR PARSAAD PROPERTIES, LTD., TO EXEMPT ONE HUNDRED PERCENT (100%) OF AD VALOREM TAXES FOR SIX (6) YEARS ON REAL PROPERTY IMPROVEMENTS IN THE AMOUNT OF \$1,800,000.00.

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WHEREAS, Karta Technologies, Inc. is a high technology company, incorporated in 1986 by its President and CEO, Dr. G. P. Singh, which specializes in providing services in the areas of information technology, engineering, training and program management; and

WHEREAS, since its inception, Karta has gained expertise in the areas of medical industrial technology, sustainment engineering and logistics, information assurance training, healthcare management and environmental service, being named among the "50 Fastest Growing Companies in San Antonio" in 2004 as determined by surveys conducted by the San Antonio Business Journal for the sixth time in the last eight years; and

WHEREAS, Karta is headquartered in San Antonio with 249 local employees and 408 employees nationwide in branch offices located in Washington, D.C., Utah, Oklahoma and Georgia; and

WHEREAS, net revenues in 2004 were approximately \$57 million with net revenues expected to reach \$69 million in 2005; and

WHEREAS, in December 2004, Karta informed the City of its interest to expand its current high technology operations and based upon incentives offered by the City, Karta has plans to expand in San Antonio and invest approximately \$1.8 million in the construction of a new 20,000 square-foot technology facility, projected to be completed by August of 2006 and located adjacent to its current site at 5555 Northwest Parkway; and

WHEREAS, Karta will also invest at least \$200,000 in business personal property and create 150 new jobs by the end of December 2011, expanding its local workforce to 399 employees, with the new jobs comprised of both professional and management positions in the areas of information technology, engineering, training and program management; and

WHEREAS, the average salary for both positions will be \$63,000 with the minimum salary for managers at \$50,000 and \$40,000 for professional positions; and

WHEREAS, the project meets the Joint City-County Tax Phase-In Guidelines for investment, job creation and wages for a targeted industry identified in the City's *Strategic Plan for Enhanced Economic Development*; and

WHEREAS, the City Council finds that it would be in the best interests of the City to approve the project; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council hereby approves the terms of the Tax Phase-In Agreement, an executed copy of which is attached hereto and incorporated herein as Attachment I, with lessee Karta Technologies, Inc. and its lessor Gur Parsaad Properties, Ltd. to exempt 100% of ad valorem taxes for 6 years on real property improvements in the amount of \$1.8 million.

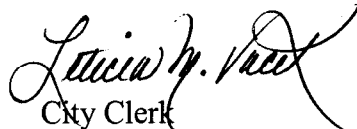
SECTION 2. The Interim City Manager or designee is authorized to execute the Agreement in Section 1 within 60 days from the effective date of this ordinance.

SECTION 3. This ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED this 14th day of April, 2005.


M A Y O R
EDWARD D. GARZA

ATTEST:


City Clerk

APPROVED AS TO FORM: _____


for City Attorney

Agenda Voting Results

Name: 7. B .

Date: 04/14/05

Time: 07:56:23 PM

Vote Type: Multiple selection

Description: 3:30 P.M. - Public hearing and consideration of (A) an Ordinance designating the Karta Technologies Reinvestment Zone at property located at 5555 Northwest Parkway, described as a 4.0 acre tract of land known as Lot 32, N.C.B. 14862, Karta Technology Subdivision, City of San Antonio, Bexar County, Texas according to plat recorded at Volume 9533, Page 193, Deed and Plat records of Bexar County, Texas; and (B) an Ordinance approving the terms and authorizing execution of a Tax Phase-In Agreement with lessee Karta Technologies, Inc. ("Karta"), and its lessor, Gur Parsaad, Ltd., to exempt one hundred percent (100%) of ad valorem taxes for six (6) years on real property improvements in the amount of \$1,800,000.00.

[Presented by Ramiro A. Cavazos, Director, Economic Development; Jelynn LeBlanc Burley Assistant City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1	Not present			
JOEL WILLIAMS	DISTRICT 2		x		
RON H. SEGOVIA	DISTRICT 3	Not present			
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5	Not present			
ENRIQUE M. BARRERA	DISTRICT 6		x		
JULIAN CASTRO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
CARROLL SCHUBERT	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10	Not present			
MAYOR ED GARZA	MAYOR		x		